



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

RAYMOND G. FORTNER, JR.
County Counsel

April 18, 2006

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**ORDINANCE AMENDING BUSINESS LICENSE REQUIREMENTS TO ESTABLISH A
LICENSE CATEGORY FOR MEDICAL MARIJUANA DISPENSARY ACTIVITIES
ALL SUPERVISORIAL DISTRICTS
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the adding of medical marijuana dispensary activities to the business activities licensed under Title 7 - Business Licenses of the Los Angeles County Code is exempt under the provisions of the California Environmental Quality Act pursuant to Public Resources Code section 21080(b)(8) and that the other technical and non-substantive revisions to the County Code proposed herein are also exempt, because it can be seen with certainty that they will not have an adverse impact on the environment.
2. Approve establishment of a fee and renewal fee for both medical marijuana dispensary license, and a medical marijuana dispensary manager's license.
3. Introduce, waive reading and place on a subsequent agenda for adoption an ordinance amending various sections of and adding new sections to Title 7 - Business Licenses of the Los Angeles County Code to establish licenses and procedures for the operation of medical marijuana dispensaries.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In response to a motion adopted by your Board, this office drafted the attached ordinance to amend Title 7 - Business Licenses of the Los Angeles County Code to establish licensing procedures for the operation of medical marijuana dispensaries. The proposed

ordinance is consistent with the recently proposed amendments to Title 22 - Planning and Zoning and, also includes other technical/non-substantive amendments.

Implementation of Strategic Plan Goals

This recommendation is consistent with the Countywide Strategic Plan Goals related to service excellence, health and safety. The adoption of this ordinance will provide for safe and affordable access to medical marijuana, under controlled circumstances, to individuals who are in medical need of it and will implement the intent of Proposition 215 and subsequent legislation related to medical marijuana. Additionally, the adoption of this ordinance will allow for coordination and consistency between the regulation of the operation of the medical marijuana dispensaries and the proposed zoning requirements for those businesses.

FISCAL IMPACT/FINANCING

Adoption of this ordinance includes establishing a fee of \$2,254 for the processing of an initial business license application for a medical marijuana dispensary, and a \$213 annual renewal fee, as well as an initial application fee of \$252 for the processing of an initial business license application of a manager of a medical marijuana dispensary, and a \$203 annual renewal fee. These fees will offset staff time and costs needed to review and process the applications.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Regulation of medical marijuana dispensaries in the unincorporated area is necessary to promote the general health, welfare and safety of the residents of the County by providing consistent guidelines and regulations for the operation of medical marijuana dispensaries.

In 1996, Proposition 215, the Compassionate Use Act of 1996, was passed by California voters. The Act allows individuals in medical need of marijuana to obtain and use marijuana without being subject to criminal prosecution under State law. The Act also encourages a plan that provides for the "safe and affordable distribution of marijuana to all patients in medical need of marijuana." In 2004, the State legislature further clarified the scope of the Act by enacting additional legislation. The proposed ordinance allows the County to implement State law which authorizes the distribution and use of marijuana for medical purposes to qualified patients with a doctor's authorization.

These amendments to the business license provisions of the County Code are consistent with State law and with the proposed zoning regulations presented to this Board. The proposed ordinance requires all medical marijuana dispensaries in the unincorporated area of the County to obtain and be in possession of a valid establishment license. To be

consistent with the proposed zoning regulations, the business license regulations require the medical marijuana dispensary to:

- possess a valid conditional use permit as required by Title 22;
- prohibit the possession, use or sale of alcohol on the premises;
- prohibit the distribution of medical marijuana to minors who are not in possession of identification as a qualified patient;
- ensure that all edibles containing medical marijuana are clearly labeled with an appropriate admonition and warning;
- allow on-site consumption only if specific conditions are met; and
- display interior signage and maintain on-site security identical to that which is required under the proposed zoning regulations.

In addition, the proposed business license regulations provide for the presence of the owner or a properly licensed on-site manager during operating hours, set forth liability insurance requirements, the application process and the enforcement provisions for both the medical marijuana dispensary license and the manager's license in the event of non-compliance.

Existing medical marijuana dispensaries will be required to be in compliance with all provisions of the new business license regulations within twelve months of the effective date of the proposed ordinance.

Finally, pursuant to sections 66018 and 6062 of the Government code, a public hearing must be held by your Board prior to the adoption of the new fees, and a notice of the public hearing shall be published pursuant to the requirements of those sections.

ENVIRONMENTAL DOCUMENTATION

The establishment of the processes for licensing medical marijuana dispensaries and managers under Title 7 is exempt under the provisions of the California Environmental Quality Act pursuant to Public Resources Code section 21080(b)(8) and the other technical and non-substantive revisions to the County Code proposed herein are also exempt, because it can be seen with certainty that they will not have an adverse impact on the environment.

IMPACT ON CURRENT SERVICES

The proposed ordinance amendments establish the procedures for the operation of medical marijuana dispensaries within the unincorporated areas of the County. The processing of the license applications will involve the expenditure of increased staff time to investigate and approve each application, however, the license application fees will offset these additional costs.

CONCLUSION

The proposed ordinance adds medical marijuana dispensaries as a new category of businesses required to obtain licenses pursuant to Title 7. By making the provisions of the business license regulations consistent with the zoning regulations, the County will strengthen its ability to regulate these businesses and will minimize the potential for confusion by businesses regarding the requirements and processes for operating within the unincorporated areas of the County.

Respectfully submitted,



RAYMOND G. FORTNER, JR.
County Counsel

RGF:JMA:lm

Attachments

c: Sheriff Leroy Baca

David E. Janssen
Chief Administrative Officer

Sachi A. Hamai, Executive Officer
Board of Supervisors

Renée Campbell, President
Business License Commission

James E. Hartl, Planning Director
Regional Planning Department

Mark J. Saladino
Treasurer and Tax Collector

**NOTICE OF PUBLIC HEARING ON
PROPOSED MEDICAL MARIJUANA DISPENSARY
BUSINESS LICENSE FEES**

Notice is hereby given that a public hearing will be held by the Board of Supervisors regarding proposed changes to Los Angeles County Code, Title 7- Business Licenses relating to proposed medical marijuana dispensary establishment and manager business license fees.

Said hearing will be held on May 9, 2006, at 9:30 a.m. in the Hearing Room of the Board of Supervisors, Room 381B, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012 for the purpose of hearing testimony relative to:

- Establishment of business license fees for medical marijuana dispensary establishment licenses and medical marijuana dispensary manager licenses in connection with amendments to Chapter 7.14, License Fees, of the Los Angeles County Code.

The Board of Supervisors will consider and may adopt the proposed fees. Further, notice is given that the Board of Supervisors may continue this hearing from time to time.

Written comments may be sent to the Executive Office of the Board of Supervisors at the above address. For further information, please call (213) 974-6432.

Si usted no entiende esta noticia o si necessita mas informacion, favor de llamar a esta numero (213) 974-6432.

Sachi A. Hamai, Executive Officer
Board of Supervisors



COUNTY OF LOS ANGELES

OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION

500 WEST TEMPLE STREET

LOS ANGELES, CALIFORNIA 90012-2713

RAYMOND G. FORTNER, JR.
County Counsel

April 6, 2006

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Agenda No. 51
07/12/05

TO: SUPERVISOR MICHAEL D. ANTONOVICH, Mayor
SUPERVISOR GLORIA MOLINA
SUPERVISOR YVONNE BRATHWAITE BURKE
SUPERVISOR ZEV YAROSLAVSKY
SUPERVISOR DON KNABE

FROM: RAYMOND G. FORTNER, JR.
County Counsel

RE: **Ordinance Relating to the Business License Requirements for
Medical Marijuana Dispensaries**

On July 12, 2005, your Board instructed our office to draft an ordinance to amend Title 7 of the County Code to add medical marijuana dispensaries to the list of business activities that require the issuance of a valid County business license to operate. Enclosed is the proposed ordinance for your reference.

This proposed ordinance is consistent with the requirements and provisions included in the proposed ordinance amending Title 22 to address the zoning regulations for medical marijuana dispensaries.

We have forwarded the proposed ordinance to the Executive Office for placement on an upcoming agenda.

If you have questions concerning this matter, please contact me, Assistant County Counsel Elizabeth M. Cortez at (213) 974-1921, or Principal Deputy County Counsel Joyce M. Aiello at (213) 974-1835.

RGF:JMA:lm

Enclosure

c: David E. Janssen
Chief Administrative Officer

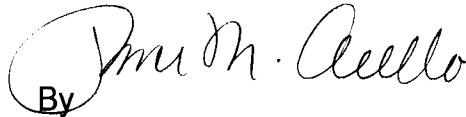
Joanne Sturges, Acting Executive Officer
Board of Supervisors

HOA.358233.1

ANALYSIS

This ordinance amends Title 7 - Business Licenses of the Los Angeles County Code to establish licensing categories, processes and fees for medical marijuana dispensaries and managers.

RAYMOND G. FORTNER, JR.
County Counsel


By

JOYCE M. AIELLO
Principal Deputy County Counsel
Government Services Division

JMA:lm

(Requested: 8-5-05)

(Revised: 4-5-05)

ORDINANCE NO. _____

An ordinance amending Title 7 - Business Licenses, of the Los Angeles County Code, relating to the operation of Medical Marijuana Dispensaries.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 7.06.040 is hereby amended to read as follows:

7.06.040 Application -- Hearing required for certain activities.

Except as otherwise provided in Section 7.06.260 or 7.30.270 of this title, the commission or referee shall hold a public hearing on every application for a new license required for:

1. Bookstore, Section 7.90.030;
2. Bowling alley, Section 7.90.340;
3. Game arcade, Section 7.90.430;
4. Exhibitions, Section 7.90.380;
5. Off-the-road vehicles, Section 7.90.570;
6. Rifle range, Section 7.90.250;
7. Rodeo, Section 7.90.590;
8. Public billiard room or billiard club, Section 7.18.020;
9. Escort bureau, Section 7.38.020;
10. Massage parlors, Section 7.54.010;

11. Health clubs, Section 7.47.020;
12. Card and game club, Section 7.54.030;
13. Ambulance operator, Section 7.16.030;
14. Ambulette operator, Section 7.17.020;
15. Private patrol service and special officers, Section 7.68.030;
16. Taxicab operator, Section 7.80.030;
17. Dance, Section 7.30.110;
18. Skating rink, Section 7.30.670;
19. Model studio, Section 7.56.020;
20. Picture arcade, Section 7.64.020;
21. Entertainment, Section 7.36.040;
22. Outdoor festival, Section 7.60.030, if the license permits more than 5,000

persons to attend;

23. Growth center, Section 7.44.020;
24. Theaters, Section 7.82.010;
25. Bingo games, Section 7.20.040;
- ~~26. Drug paraphernalia store, Section 7.30.020;~~
- ~~27~~26. Circus or carnival, Section 7.25.030;
- ~~28~~27. Vacation certificate business, Section 7.85.020;
- ~~29~~28. Body Art Establishments, Section 7.94.020;
- ~~30~~29. Adult business, Section 7.92.030;
- ~~31~~30. Medical Marijuana Dispensaries, 7.55.020.

SECTION 2. Section 7.06.070 is hereby amended to read as follows:

7.06.070 Valid license required to operate -- Businesses designated.

A valid license other than the receipt described in Section 7.06.050 must be in the possession of the applicant in advance of the operation of the following businesses or activities:

Ambulance operator

Ambulette operator

Ambulette driver

Ambulette attendant

Auctioneer

Billiard room

Bookstore

Card club

Close-out sale

Dance

~~Drug paraphernalia~~

Entertainment

Escort bureau

Exhibitions

Game arcade

Growth center

Identification card

Locksmith

Manager

Massage parlor

Massage technician

Medical marijuana dispensary

Medial marijuana dispensary manager

Model studio

Motion picture theater

Off-the-road vehicles

Outdoor festival

Pawnbroker

Peddler -- edibles

Picture arcade

Private patrol service

Public eating place

Rifle range

Rodeo

Salvage dealer

Secondhand dealer

Shooting gallery

Special officer

Taxicab driver

Taxicab operator

Trade-in dealer

Traveling show

Vacation certificate business.

SECTION 3. Section 7.14.010 is hereby amended to read as follows:

7.14.010 Fee schedule.

The license fees required to be paid to perform, carry on, conduct or engage in any businesses, occupations or activities set forth in this Title 7, the license ordinance codified in this title, are as stated in this chapter.

	FEES	
	First Year	Annual Renewal
ACCUPRESSURE ESTABLISHMENT	\$2,268.00	\$ 354.00
ACCUPRESSURIST	351.00	234.00
ADULT BUSINESS		
1. Bookstore	2,228.00	1,712.00
2. Cabaret	1,981.00	1,712.00

		FEES	
		First Year	Annual Renewal
3.	Hotel		
a.	5 to 10 units	317.00	200.00
b.	11 to 15	317.00	129.00
c.	16 or more units	378.00	246.00
4.	Motel	340.00	223.00
5.	Motion picture arcade	1,988.00	1,712.00
6.	Motion picture theater	1,836.00	1,552.00
7.	Theater	1,836.00	1,552.00
AMBULANCE OPERATOR		1,435.39	244.34
AMBULANCE		373.86	339.55
AMBULETTE OPERATOR		1,435.39	244.34
AMBULETTE		361.72	327.41

		FEES	
		First Year	Annual Renewal
APARTMENT HOUSE OR HOTEL			
1.	If from 5 to 10 families, inclusive, can be housed.	259.00	185.00
2.	If from 11 to 15 families, inclusive, can be housed.	282.00	200.00
3.	If over 15 families can be housed.	340.00	223.00
BILLIARD ROOM OR CLUB		2,092.00	358.00
BINGO			
1.	Bingo games.	50.00	50.00
2.	Bingo manager.	50.00	50.00
3.	Bingo equipment supplier.	1,522.00	80.00
BODY ART ESTABLISHMENT		2,254.00	213.00
BODY ART TECHNICIAN		252.00	208.00
BOARDING HOUSE		282.00	200.00

		FEES	
		First Year	Annual Renewal
BOOKSTORE (other than adult)		1,799.00	175.00
BOTTLE WASHING		194.00	60.00
BOTTLE WORKS		194.00	131.00
BOWLING ALLEY		1,914.00	323.00
CARD OR GAME CLUB		2,177.00	207.00
CHARITABLE INSTITUTIONS		2.00	2.00
CHARITABLE PURPOSES			
Not more than five days.		2.00	— —
CLOSING-OUT SALE			
1. First 60 days.		168.00	— —
2. 30 days' renewal.		60.00	— —

		FEES	
		First Year	Annual Renewal
COIN-OPERATED GAME			
	For each game.	201.00	131.00
COIN-OPERATED PHONOGRAPH			
	For each phonograph.	201.00	131.00
COLD STORAGE WAREHOUSE		363.00	175.00
CORPORATION DIRECTORS CHANGE			
1.	With business license commission hearing.	1,620.00	— —
2.	Without business license commission hearing.	252.00	— —
DANCES			
1.	All dances except for a single special dance, taxi dance hall, or youth or charity dance.	1,771.00	223.00
2.	Special dance (single).	1,806.00	152.00
3.	Taxi dance hall.	1,774.00	177.00
4.	Youth or charity dance.	No fee	— —

		FEEES	
		First Year	Annual Renewal
DEMONSTRATOR		168.00	60.00
DUPLICATE LICENSES		91.00	— —
ENTERTAINMENT			
1.	Class I or Class III without dance license.	1,981.00	406.00
2.	Class I or Class III if applied for concurrently with dance license.	621.00	406.00
3.	Charity.	No fee	— —
ESCORT BUREAU		1,864.00	1,590.00
EXHIBITION		1,808.00	275.00
EXPLOSIVES		555.00	293.00
FERTILIZER PLANT		363.00	175.00
FILLING STATION		361.00	252.00

	FEES	
	First Year	Annual Renewal
FOUNDRY	340.00	223.00
FUNERAL ESCORT		
1. Business.	175.00	131.00
2. Employee.	175.00	131.00
GAME ARCADE	1,777.00	251.00
GASOLINE AND OIL TANK TRUCKS	307.00	200.00
GUN DEALER	739.00	279.00
HAY, GRAIN AND FEED DEALER	309.00	200.00
HEALTH CLUB	1,750.00	251.00
HEALTH SPA	1,750.00	251.00
HOG RANCH	445.00	175.00

	FEES	
	First Year	Annual Renewal
HORSE MEAT	194.00	60.00
HOTEL		
5 to 10 units	317.00	200.00
11 to 15 units	317.00	129.00
16 or more units	378.00	246.00
IDENTIFICATION CARD	168.00	60.00
LAUNDERETTE	265.00	185.00
LIVERY STABLE	340.00	223.00
LOCKSMITH AND ITINERANT LOCKSMITH	201.00	131.00
LUMBERYARD	447.00	246.00

	FEES	
	First Year	Annual Renewal
MANAGER— ENTERTAINMENT, GAME, MODEL STUDIO, PICTURE ARCADE, OR ADULT BUSINESS	175.00	131.00
MASSAGE PARLOR	2,254.00	213.00
<u>MEDICAL MARIJUANA DISPENSARIES</u>	<u>2,254.00</u>	<u>213.00</u>
<u>MEDICAL MARIJUANA DISPENSARY MANAGER</u>	<u>252.00</u>	<u>203.00</u>
MASSAGE TECHNICIAN	252.00	208.00
MODEL STUDIO	1,752.00	1,593.00
MOTEL	340.00	223.00
MOTORCYCLE CONTEST		
1. First day.	363.00	— —
2. Each additional day.	175.00	— —

		FEES	
		First Year	Annual Renewal
MOTOR VEHICLE			
1.	Rental.	201.00	131.00
2.	Repair.		
a.	Body and fender.	475.00	275.00
b.	Painting.	475.00	275.00
c.	Licensed repairer.	475.00	275.00
NURSERY (plant)		194.00	131.00
OFF-THE-ROAD VEHICLE		1,574.00	177.00
OIL TOOL EXCHANGE		207.00	144.00
OUTDOOR FESTIVAL			
1.	Religious worship.	No fee	— —
2.	All others.		
a.	First day.	1,866.00	— —
b.	Each additional day.	278.00	— —

		FEEs	
		First Year	Annual Renewal
PARTNERSHIP CHANGE			
1.	With business license commission hearing.	1,613.00	— —
2.	Without business license commission hearing.	252.00	— —
PAWNBROKER		377.00	157.00
PEDDLER			
1.	Commercial motor vehicles.	168.00	131.00
2.	Special events.	168.00	131.00
PICNIC PARK		317.00	200.00
PICTURE ARCADE		1,775.00	129.00
PONY RIDE		194.00	131.00
POULTRY DEALER		194.00	131.00

		FEES	
		First Year	Annual Renewal
PROMOTER (charitable)		1,502.00	60.00
PUBLIC EATING PLACES			
1.	Public eating establishments.	431.00	223.00
2.	Food establishments.	424.00	223.00
REBOUND TUMBLING CENTER		529.00	175.00
RENDERING PLANT		194.00	60.00
RIDES (mechanical)		318.00	200.00
RIFLE RANGE		1,862.00	226.00
RODEO			
1.	First day.	1,808.00	— —
2.	Each additional day.	204.00	— —

		FEES	
		First Year	Annual Renewal
SALVAGE COLLECTOR			
1.	Regular— for each vehicle.	202.00	158.00
2.	Charity— for each vehicle.	2.00	2.00
SALVAGE DEALER			
1.	Regular.	458.00	250.00
2.	Charity.	2.00	2.00
SAWMILL		447.00	175.00
SCHOOL, PRIVATE		1,846.00	246.00
SECONDHAND DEALER			
1.	Regular.	343.00	232.00
2.	Charity.	2.00	2.00

FEES

	First Year	Annual Renewal
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SEPARATE ACTIVITIES

The fee for the activity requiring the highest license fee established in Section 7.14.010, plus \$168.00 each for every other license, or \$60.00 for every other renewal of a license.

SHOOTING GALLERY	270.00	129.00
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SITE TRANSFER	Amount of annual renewal license fee.	
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SKATING RINK	1,659.00	269.00
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SOLICITOR

1. Charitable.	No fee	— —
2. Company (principal).	175.00	131.00
3. Individual — not a principal.	175.00	131.00

		FEES	
		First Year	Annual Renewal
SOUND TRUCK			
1.	Commercial.	168.00	60.00
2.	Noncommercial.	168.00	60.00
SWIMMING POOL — PUBLIC		194.00	60.00
TAXI DANCER AND TAXI DANCER INSTRUCTOR		168.00	60.00
TAXICAB			
1.	Driver.		
a.	Regular fee.	175.00	131.00
b.	If the applicant submits with his application a valid, unrevoked, current taxicab driver' s license, certificate, or permit approved by the sheriff and issued by a city.	168.00	131.00

		FEES	
		First Year	Annual Renewal
2.	Operator.		
a.	Regular fee.	1,526.00	155.00
b.	For the first cab.	168.00	131.00
c.	For each additional cab.	168.00	131.00
d.	Application to modify own license without commission hearing.	168.00	— —
e.	Application to modify with commission hearing.	1,495.00	— —
THEATER (motion picture and live, other than adult)		1,829.00	246.00
TOW TRUCK		168.00	131.00
TRADE-IN DEALER		317.00	227.00
TRAVELING SHOW OR CIRCUS			
1.	First day.	1,831.00	— —
2.	Each additional day.	204.00	— —
3.	Carnival game booth.	329.00	201.00

FEEs		
	First Year	Annual Renewal
VACATION CERTIFICATE BUSINESS	1,495.00	60.00
In addition to license fees set forth in Section 7.85.050.		
VALET PARKING SERVICE	175.00	131.00
WATER TAXI		
1. Operator.	1,556.00	185.00
2. Boat.		
a. First boat.	175.00	131.00
b. Each additional boat.	175.00	60.00
WEED ERADICATOR	237.00	129.00

SECTION 3. Chapter 7.55 Medical Marijuana Dispensaries is hereby added to read as follows:

Chapter 7.55

MEDICAL MARIJUANA DISPENSARIES

Parts:

- 1. General Provisions**
- 2. Licensing Procedures**
- 3. Operating Requirements**

Part 1

GENERAL PROVISIONS

Sections:

- 7.55.010 Definitions**
- 7.55.020 License Required**
- 7.55.030 Severability**

7.55.010 Definitions.

A. For the purposes of this chapter, the words and phrases set forth are defined and shall be construed as hereafter set out, unless it is apparent from the context that any such word or phrase has a different meaning.

B. Whenever any word or phrase used in this chapter is not defined herein but is defined in state law or regulation or in another section of the Los Angeles County Code, the definition set forth in such state law or regulation or such other section of the Los Angeles County Code is incorporated in this chapter as though set forth herein in full, and shall apply to such word and phrase used by not defined herein.

C. "County" means the County of Los Angeles.

D. "Existing owner" means an owner of a medical marijuana dispensary operating on the effective date of this ordinance.

E. "Manager" means the owner or other person designated by the owner to be the owner's on-site representative in a medical marijuana dispensary, who shall comply with the provisions set forth in Article 1 of this chapter.

F. "Medical marijuana dispensary" means any facility or location as defined in section 22.08.130 M of this code.

G. "Owner" or "operator" means the person, persons or legal entity having legal ownership of a business operating as a medical marijuana dispensary. Any reference in this chapter to "owning" means having existing owner status.

7.55.020 License Required.

A. Except as provided in B, below, every medical marijuana dispensary shall have a license provided for in Part 2 of this chapter. No person shall own or operate any medical marijuana dispensary at any location until a license has been procured pursuant to Part 2 of this chapter, and payment of an annual fee has been made therefore in accordance with section 7.14.010, under the appropriate heading.

B. Every existing owner of a medical marijuana dispensary shall comply with the licensing requirements of A, above, within 12 months of the effective date of this ordinance.

C. Every person employed as a manager of a medical marijuana dispensary shall first procure a license provided for in this chapter and pay an annual license fee in the amount set forth in section 7.14.010, under the appropriate heading.

7.55.030 Severability.

If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the chapter or the application of such provision to other persons or circumstances shall not be affected thereby.

Part 2

LICENSING PROCEDURES

Articles:

- 1. Medical Marijuana Dispensaries**
- 2. Medical Marijuana Dispensary Managers**
- 3. Liability Insurance Required**
- 4. License Revocation**

Article 1

MEDICAL MARIJUANA DISPENSARIES

Sections:

7.55.040 Licensing - Hearing on application required

7.55.050 Prerequisites to issuance of license

7.55.060 License non transferable

7.55.070 License - Requirements for posting

7.55.040 Licensing - Hearing on application required.

The business license commission shall hold a public hearing on every application for a license required by section 7.55.020 A or B and shall give notice of such hearing as required by sections 7.10.100, 7.10.110, 7.10.120 and 7.10.130.

7.55.050 Prerequisites to issuance of license.

A. A license shall not be granted or issued pursuant to this article unless the application has obtained a conditional use permit, if one is required, by Title 22 of the code.

B. Each application form shall include a warning and disclaimer that shall include the following:

1. A warning that dispensary operators, managers and their employees may be subject to prosecution under federal law; and
2. A disclaimer that the county will not accept any legal responsibility or liability in connection with any approval of any license application and/or subsequent operation of any dispensary.

7.55.060 License nontransferable.

Any license issued pursuant to this article shall be valid only for the medical marijuana dispensary which is the subject of the license and is not transferable to any other owner or location.

7.55.070 License – Requirements for posting.

Any license issued pursuant to this article must be posted and exhibited at all times in an area that is visible to the public and clients of any medical marijuana dispensary.

Article 2

MEDICAL MARIJUANA DISPENSARY MANAGERS

Sections:

7.55.080 Manager's license – Information required on application

7.55.090 License non transferable

7.55.100 License - Requirements for posting

7.55.080 Manager's license - Information required on application.

In addition to the requirements of section 7.06.020, an applicant for licensing as a manager of a medical marijuana dispensary shall also show:

A. All residential addresses for the five (5) years immediately preceding the date of application;

B. The name and address of the medical marijuana dispensary where the applicant intends to be employed and written proof of an offer of such employment;

C. Written statements of reference from at least three persons who have known the applicant for at least one year;

D. Written proof that the applicant is over the age of 18 years;

E. Applicant's height, weight and color of eyes and hair;

F. Two portrait photographs at least two inches by two inches taken within 60 days of the date of the application;

G. Business, occupation or employment history of the applicant for the five (5) years immediately preceding the date of the application;

H. The license history of the applicant, including but not limited to whether the applicant has had a license for any business or similar activity by this or any other county, by any city, or by the state revoked or suspended, and, if so, the reason or reasons therefor, and the business activity or occupation subsequent to such action or suspension or revocation;

I. All convictions, except for minor traffic violations, and the reasons therefor;

J. Such other identification and information determined necessary to discover the truth of the matters hereinabove specified as required to be set forth in the application; and

K. Each application form shall include a warning and disclaimer that shall include the following:

1. A warning that dispensary operators, managers and their employees may be subject to prosecution under federal law; and
2. A disclaimer that the county will not accept any legal responsibility or liability in connection with any approval of any license application and/or subsequent operation of any dispensary.

Each applicant acknowledges that the sheriff has the right to take fingerprints and additional photographs of the applicant and to confirm the height or weight of the applicant.

7.55.090 License nontransferable.

Any license issued pursuant to this article shall be valid only for use by the manager at the medical marijuana dispensary which is identified as the employer of the applicant and is not transferable to any other manager or for use at any other medical marijuana dispensary.

7.55.100 License – Requirements for posting.

Any license issued pursuant to this article must be posted and exhibited at all times in an area that is visible to the public and clients of any medical marijuana dispensary.

Article 3

LIABILITY INSURANCE REQUIRED

Sections:

7.55.110 Liability Insurance – Requirements for the medical marijuana dispensary license

7.55.110 Liability Insurance – Requirements for medical marijuana dispensary license.

A. No license shall be issued or renewed under article 1 of this part unless the licensee carries and maintains in full force and effect a policy of insurance which meets or exceeds the requirements of this section, in a form approved by the County of Los Angeles and executed by a licensed insurance broker or agent. The policy of insurance shall insure the license against liability for damage to property and for injury to or death of any person as a result of activities conducted or occurring at the medical marijuana dispensary. The minimum liability limits shall not be less than \$1,000,000 for each incident of damage to property or incident of injury to or death of a person, with a general aggregate limit of not less than \$2,000,000. The policy shall name the County of Los Angeles as an additional insured.

B. The policy of insurance shall contain an endorsement providing that said policy shall not be canceled until notice in writing has been given to the office of the Treasurer and Tax Collector at least 30 days prior to the time the cancellation becomes effective.

C. If at any time the licensee's policy of insurance expires or is canceled, the license issued or renewed pursuant to Article 1 of this part will automatically be suspended, or revoked, pursuant to sections 7.08.240 and 7.08.250 of this code.

Article 4

LICENSE REVOCATION

Sections:

7.55.120 License – Permitted revocation

7.55.130 License – Mandatory revocation

7.55.140 Restrictions on licensing after revocation

7.55.120 License – Permitted revocation.

The business license commission may revoke any license issued pursuant to this chapter upon a finding, based on a preponderance of the evidence, under the provisions of this title, that the licensee has violated any provision of Title 7 of the Los Angeles County Code.

7.55.130 License – Mandatory revocation.

Notwithstanding any other provision of this Code, the commission shall revoke any license issued pursuant to this article upon finding, based upon a preponderance of the evidence, that the licensee has violated any provision of Title 7 of the Los Angeles County Code on two separate occasions within a 12-month period.

7.55.140 Restrictions on licensing after revocation.

Whenever a license has been revoked pursuant to section 7.55.120 or 7.55.130, the former licensee, whether a person, partnership or corporation, shall not be eligible to apply for a new license for a period of one year from the effective date of such revocation. No application for a license provided for under Article 1 of this part shall be accepted or processed for any business that has had such a license revoked pursuant to this article within the preceding one-year period.

Part 3

OPERATION REQUIREMENTS

Sections:

- 7.55.160 Operation requirements generally**
- 7.55.170 Medical marijuana dispensary activity permitted only at medical
marijuana dispensary establishment**
- 7.55.180 Hours of operation**
- 7.55.190 Signs required**
- 7.55.200 Persons using drugs or alcohol prohibited**
- 7.55.210 Minors**
- 7.55.220 Manager required on premises**
- 7.55.230 Interfering with enforcement activities prohibited**
- 7.55.240 Graffiti removal**
- 7.55.250 Edibles**

- 7.55.260 On-site consumption**
- 7.55.270 Devices for inhalation**
- 7.55.280 Cultivation and cuttings**
- 7.55.290 Loitering**
- 7.55.300 Security**
- 7.55.310 Compliance with other requirements**
- 7.55.320 Release of county from liability**
- 7.55.330 Indemnification of county**
- 7.55.340 Liability**

7.55.160 Operation requirements generally.

Every establishment for which this chapter requires a license shall be maintained and operated in conformity with each and every provision of this chapter.

7.55.170 Medical marijuana dispensary activity permitted only at medical marijuana dispensary establishment.

No establishment shall conduct any medical marijuana dispensary activity at any location requiring a license under this chapter unless such license has been issued and is valid.

7.55.180 Hours of operation.

No establishment required to be licensed under this chapter shall be operated or any medical marijuana dispensary activity conducted therein outside of the hours specified in any conditional use permit issued pursuant to Title 22.

7.55.190 Signs required.

A. A recognizable and readable sign which clearly identifies the medical marijuana dispensary shall be posted at the main entrance of any medical marijuana dispensary licensed under this chapter. Such sign shall comply with all other requirements of the Los Angeles County Code and any issued conditional use permit.

B. A recognizable and readable sign shall be posted indoors in a conspicuous location with the following warnings:

1. That the diversion of marijuana for non-medical purposes is a violation of state law;
2. That the use of medical marijuana may impair a person's ability to drive a motor vehicle or operate machinery; and
3. That loitering on and around the dispensary site is prohibited by California Penal Code section 647(e).

7.55.200 Alcohol prohibited.

Provision, sale or consumption of alcoholic beverages on the grounds of the medical marijuana dispensary, both interior and exterior, shall be prohibited. A person shall not enter, be or remain in any part of a medical marijuana dispensary licensed under this chapter while in the possession of, consuming or using any alcoholic beverage. The licensee, manager and/or every supervising employee shall not permit any such person to enter or remain on the premises.

7.55.210 Minors.

It shall be unlawful for any dispensary to provide medical marijuana to any person under the age of 18 unless that person is a qualified patient or is a primary caregiver with a valid identification card in accordance with California State Health and Safety Code sections 11362.7.

7.55.220 Manager required on premises.

Each medical marijuana dispensary licensed pursuant to this chapter shall, at all times that such dispensary is open, have present and on the premises a manager, as defined in section 7.55.010. The manager must be familiar with the requirements of this chapter and be capable of communicating the provisions of this chapter to employees and others conducting activities at the medical marijuana dispensary and to all actual or prospective clients of and visitors to the dispensary. The manager shall make an effort to immediately identify himself or herself to the sheriff or any other county official entering the medical marijuana establishment on official business. In the owner's absence, the manager shall be authorized to accept on behalf of the owner or any other person licensed pursuant to this chapter any notice issued to such owner or other licensed person pursuant to this chapter or to Title 7.

7.55.230 Interfering with enforcement activities prohibited.

No person shall refuse, resist or attempt to resist the entrance of the sheriff or other county official into a medical marijuana dispensary in performance of official duty or shall refuse to obey any lawful order of the sheriff or other county official made in the performance of his or her duties under the code.

7.55.240 Graffiti removal.

The owner of the property where the medical marijuana dispensary is located and/or the operator of the medical marijuana dispensary shall remove graffiti from the premises within 24 hours of its occurrence.

7.55.250 Edibles.

Medical marijuana may be provided by a dispensary in an edible form, provided that the edibles meet all applicable county requirements, including but not limited to the medical marijuana dispensary obtaining a public eating license pursuant to Chapter 7.72 of this code. In addition, any beverage or edible produced, provided, or sold at the facility which contains marijuana shall be so identified, as part of the packaging, with a prominent and clearly legible warning advising that the product contains marijuana and that it is to be consumed only with a physician's recommendation.

7.55.260 On-site consumption.

Medical marijuana may be consumed on site only as follows:

A. The smoking of medical marijuana shall be allowed provided that appropriate seating, restrooms, drinking water, air purification systems, and patient supervision are provided in a room or enclosure separate from the main room and entrance to the dispensary; and

B. Consumption of edibles by ingestion shall only be allowed subject to all applicable county requirements.

7.55.270 Devices for inhalation.

Medical marijuana dispensaries may provide specific devices, contrivances, instruments, or paraphernalia necessary for inhaling medical marijuana, including but not limited to rolling papers and related tools, pipes, water pipes, and vaporizers. The equipment may only be provided to qualified patients or primary caregivers in accordance with California Health and Safety Code section 11364.5.

7.55.280 Cultivation and cuttings.

Marijuana shall not be grown at or on the site of any medical marijuana dispensary, except that cuttings of the marijuana plant may be kept or maintained on-site for distribution to qualified patients and primary caregivers as follows:

- A. The cuttings shall not be utilized by the medical marijuana dispensary as a source for the provision of marijuana for consumption on-site.
- B. For the purposes of this section, the term "cutting" shall mean a rootless piece cut from a marijuana plant, which is no more than six inches in length, and which can be used to grow another plant at a different location.

7.55.290 Loitering.

Medical Marijuana Dispensaries shall ensure the absence of loitering consistent with California Penal Code section 647(e).

7.55.300 Security.

Medical marijuana dispensaries shall provide security as follows:

- A. An adequate and operable security system that includes security cameras and alarms to the satisfaction of the Director of Regional Planning; and

B. At least one licensed security guard present at the dispensary at all times during business hours. All security guards must be licensed by the proper authorities and must possess a valid Security Guard identification card issued by the Department of Consumer Affairs at all times.

7.55.310 Compliance with other requirements.

Medical marijuana dispensaries shall comply with all applicable provisions of California state law and with all applicable county requirements.

7.55.320 Release of the County from liability.

The applicant(s) and licensee(s) under this chapter shall agree to forgo seeing to hold the county, and any of its officers, employees, or assigns, liable for any injuries or damages that result from any arrest or prosecution of medical marijuana dispensary owners, operators, managers, employees or clients for violation of local, state or federal laws.

7.55.330 County indemnification.

The owner(s), operator(s), and/or manager(s) of the medical marijuana dispensaries shall indemnify and hold harmless the county and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by any adjacent or nearby property owners or other third parties due to the operations of the dispensary and for any claims brought by any of their clients for problems, injuries, damages or liabilities of any kind that may arise out of the distribution and/or on- or off-site use of marijuana provided at the dispensary.

7.55.340 Liability for operation.

The provisions of this chapter shall not be construed to protect dispensary owners, operators, and employees, or their clients from prosecution pursuant to any laws that may prohibit the cultivation, sale, use, or possession of controlled substances. moreover, cultivation, sale, possession, distribution, and use of marijuana remain violations of federal law as of the date of the ordinance creating this chapter and this chapter is not intended to, nor does it, protect any of the above described persons from arrest or prosecution under those federal laws. Owners, operators and licensees must assume any and all risk and any and all liability that may arise or result under state and federal criminal laws from operation of a medical marijuana dispensary. Further, to the fullest extent permitted by law, any actions taken under the provisions of this section by any public officer or employee of the County of Los Angeles or the County of Los Angeles itself, shall not become a personal liability of such person or liability of the county.

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